

Message Text

UNCLASSIFIED

PAGE 01 TOKYO 08105 180832Z

10

ACTION EA-10

INFO OCT-01 EUR-12 ISO-00 SP-02 AID-05 EB-07 NSC-05

CIEP-02 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 L-03 H-02

CIAE-00 COME-00 FRB-01 INR-07 NSAE-00 USIA-15 XMB-04

OPIC-06 LAB-04 SIL-01 PA-02 PRS-01 SAM-01 /112 W

----- 079285

P R 180750Z JUN 75

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC PRIORITY 962

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY THE HAGUE

AMCONSUL HONG KONG

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION EC BRUSSELS

USMISSION OECD PARIS

UNCLAS TOKYO 8105

DEPT PASS TREASURY, CEA AND FEDERAL RESERVE

E.O. 11652: N/A

TAGS: EFIN, JA

SUBJECT: JAPAN'S BALANCE OF PAYMENTS IN MAY - PROVISIONAL

SUMMARY: IN PROVISIONAL MAY B/P STATISTICS CURRENT BALANCE, BASIC BALANCE, AND OVERALL BALANCE RECORDED DEFICITS MAINLY DUE TO SHARP DECLINE IN JAPAN'S EXPORTS. LONG-TERM CAPITAL BALANCE RETURNED TO MODERATE NET INFLOW. END SUMMARY.

1. IN MAY JAPAN'S EXPORTS DECLINED SHARPLY AND RECORDED THE FIRST YEAR-TO-YEAR DROP, OF 5 PERCENT, IN SEVEN AND HALF

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 TOKYO 08105 180832Z

YEARS. JAPAN'S IMPORTS IN MAY STAYED STAGNANT AND RECORDED

YEAR-TO-YEAR DECLINES FOR FOURTH CONSECUTIVE MONTH. AS RESULT, JAPAN'S TRADE BALANCE IN MAY WAS ZERO, IN CONTRAST TO A \$645 MIL SURPLUS IN PRIOR MONTH. ON SEASONALLY ADJUSTED BASIS, TRADE SURPLUS DECREASED \$316 MIL TO \$505 MIL LEVEL. EXPORTS (F.O.B., SEASONALLY ADJUSTED) DECREASED \$364 MIL (7.6 PERCENT). IMPORTS (F.O.B., SEASONALLY ADJUSTED) DROPPED \$48 MIL (1.2 PERCENT).

2. DEFICIT ON SERVICES AND TRANSFER PAYMENTS IN MAY WAS LARGER THAN APRIL BY \$108 MIL. MOF OFFICIAL EXPLAINED THIS WAS MAINLY DUE TO LARGER NET PAYMENT FOR TRANSPORTATION AND INCREASED OUTFLOW ON TRANSFER ACCOUNT BECAUSE OF JAPAN'S PAYMENT OF CONTRIBUTION OF \$30 MIL TO U.N. AND OTHER INTERNATIONAL ORGANIZATIONS IN MAY.

3. THE LONG-TERM CAPITAL ACCOUNT REGISTERED \$170 MIL NET INFLOW IN MAY FOLLOWING \$83 MIL NET OUTFLOW IN PRIOR MONTH. MOF SOURCES SAID PURCHASES OF JAPANESE BONDS BY NON-RESIDENTS AND BOND ISSUES ABROAD BY JAPANESE ENTERPRISES HAVE REMAINED BRISK; NET INFLOWS FOR THESE ITEMS WERE REPORTED TO BE \$240 MIL AND \$100 MIL RESPECTIVELY, LARGER IN THE AGGREGATE THAN IN APRIL. ON THE OTHER HAND, LOANS AND DIRECT INVESTMENTS ABROAD BY JAPANESE PRIVATE ENTERPRISES, INCLUDING BANKS, DECLINED IN MAY. JAPAN'S EXPORTS OF SHIPS IN MAY DROPPED SUBSTANTIALLY FROM APRIL. CONSEQUENTLY, MAY TRADE CREDITS FOR DEFERRED PAYMENTS ON SHIP EXPORTS WERE SMALLER THAN IN PRIOR MONTH AND SMALLER THAN COLLECTION IN MAY OF TRADE CREDITS PREVIOUSLY EXTENDED.

4. DEFICIT IN OVERALL BALANCE OF \$390 MIL WAS FINANCED, IN PART, BY INCREASE IN COMMERCIAL BANKS' SHORT-TERM NET POSITION OF \$110 MIL. AS RESULT, OFFICIAL SETTLEMENTS BALANCE RECORDED DEFICIT OF \$280 MIL. OFFICIAL LIABILITIES ROSE SOME \$500 MIL AS FOREIGNERS PURCHASED A LARGE AMOUNT OF SHORT-TERM GOVERNMENT SECURITIES. PUBLISHED OFFICIAL RESERVES INCREASED \$222 MIL FROM APRIL LEVEL TO \$14,557 MIL. GOLD AND FOREIGN EXCHANGE TOTALED \$13,196 MIL, GOLD TRANCHE \$811 MIL, AND SDR'S \$550 MIL.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 TOKYO 08105 180832Z

5. FOLLOWING ARE PRELIMINARY MOF DATA ON MAY BALANCE OF PAYMENTS IN MIL DOLLARS (IMF BASIS, NOT SEASONALLY ADJUSTED). AMOUNTS ARE PLUS (I.E. RECEIPTS) UNLESS SHOWN AS QTE MIN UNQTE.

	MAY	APRIL	
	PROVISIONAL	REVISED	CHANGE
(1) CURRENT BALANCE	MIN 560	193	MIN 753

TRADE BALANCE	34	645	MIN 645
EXPORTS	4,310	4,739	MIN 429
IMPORTS	MIN 4,310	MIN 4,094	MIN 216
SERVICES AND TRANSFERS	MIN 560	MIN 452	MIN 108

(2) LONG-TERM

CAPITAL	170	MIN 83	253
---------	-----	--------	-----

(3) BASIC BALANCE

MIN 390	110	MIN 500
---------	-----	---------

(4) NON-MONETARY SHORT-

TERM CAPITAL AND ERRORS AND OMIS- SIONS COMBINED	0	MIN 522	522
--	---	---------	-----

(5) OVERALL BALANCE

MIN 390	MIN 412	22
---------	---------	----

(6) COMMERCIAL BANKS

SHORT-TERM NET POSITION	110	539	MIN 429
----------------------------	-----	-----	---------

(7) OFFICIAL SETTLE-

MENTS BALANCE	MIN 280	127	MIN 407
---------------	---------	-----	---------

6. SEASONALLY ADJUSTED TRADE DATA (IMF BASIS) AS FOLLOWS:

	MAY	APRIL	
	PROVISIONAL	REVISED	CHANGE
EXPORTS	4,422	4,786	MIN 364
IMPORTS	MIN 3,917	MIN 3,965	48
BALANCE	505	821	MIN 316

UNCLASSIFIED

UNCLASSIFIED

PAGE 04 TOKYO 08105 180832Z

7. NOTE: RATES OF EXCHANGE USED BY MOF TO CONVERT TO DOLLAR BASIS WERE 291.57 YEN PER DOLLAR FOR MAY AND 292.14 YEN PER DOLLAR FOR APRIL 75.
HODGSON

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BALANCE OF PAYMENTS DATA
Control Number: n/a
Copy: SINGLE
Draft Date: 18 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975TOKYO08105
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750211-1182
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750637/aaaabhie.tel
Line Count: 158
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 28 FEB 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28 FEB 2003 by PhilliR0>; APPROVED <09 MAR 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: JAPAN'S BALANCE OF PAYMENTS IN MAY - PROVISIONAL SUMMARY: IN PROVISIONAL MAY B/P STATISTICS CURRENT BALANCE
TAGS: EFIN, JA
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006